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23 September 1980

MEMORANDUM

IRAQ-JORDAN RELATIONS

Jordanian-Iraqi relations have been unusually good since the November 1978 Baghdad Arab Summit when Iraq along with other Arab states offered substantial aid to King Hussein in return for his to the Camp David Accords. Since that time, Jordanian-Iraqi cooperation in military, economic and intelligence matters has grown substantially and Baghdad has become Amman's major source of financial aid. Baghdad aid amounted to \$186 million in 1979. [REDACTED]

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While Hussein has no particular grievance with the Iranians, he undoubtedly feels that Iraq's generous financial support obliges Jordan to support Iraq vigorously as it has done since the fighting broke out. [REDACTED]

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This memorandum was prepared by [REDACTED] Israel-Levant Branch, Near East South Asia Division, Office of Political Analysis, in response to a request from the Director of Central Intelligence. Questions and comments may be addressed to Chief, Israel-Levant Branch, [REDACTED]

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JORDAN-IRAQ: Air Defense Cooperation

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The growing importance of military, political, and economic ties between the two countries, however, probably has caused Jordan to be more cooperative. King Hussein has emerged among Arab leaders as Iraq's strongest supporter against Iran. [REDACTED]

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The focus on Iran signals the first major expansion of a relationship that has heretofore concentrated almost exclusively on the Arab-Israeli military balance. [REDACTED]

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IRAQ: Increasing Foreign Aid

Iraq is increasing aid commitments substantially to advance its foreign policy among Arab countries and in the Nonaligned Movement. For 1980, Baghdad's pledges could exceed \$2 billion, almost as much as the total for 1974 through 1979. Over \$1.3 billion has been pledged to more than 20 developing countries so far this year; (Jordan, Syria, and Morocco have received almost three-fifths of this. Iraq also is increasingly using oil exports to gain influence with developing countries, which now purchase directly 1 million barrels per day of crude oil--roughly one-third of the country's output.

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IRAQ-JORDAN: Growing Economic Relations

In a series of agreements, Iraq and Jordan have decided to increase bilateral trade, laid plans for a joint transportation company, and reached an accord on \$145 million in concessionary project financing for Jordan. More projects, valued at several hundred million dollars, are under consideration. Iraq hopes to increase its influence with the moderate Arabs and to widen the distance between Jordan and Syria. It also expects that the expansion of Jordan's port of Al Aqabah and construction of a road linking it to Iraq--both Iraqi-financed projects--will relieve some of the congestion on its traditional transport routes. Access to Al Aqabah is also sought by Baghdad as a hedge against Iranian interference in Persian Gulf shipping and the interruption of overland trade through Syria.

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